

KCStat

kcstat.kcmo.org
January 16, 2018
#KCStat

Housing

Housing

To sustain the City's diverse housing for all income groups through strategic planning and well-designed developments, with an emphasis on revitalizing aging neighborhoods.

How To Get There: City Objectives and Strategies For Housing

1. Support rehabilitation and construction of housing for the purpose of revitalizing neighborhoods in the City.
 - a) Perform targeted housing condition surveys to define or refine improvement activities. (City Planning and Development)
 - b) Support the establishment of a new local housing financing mechanism that offers single-family rehabilitation and new infill construction to support home ownership opportunities. (Neighborhoods and Housing Services-Housing)
 - c) Utilize the Market Value Analysis (MVA) as the basis for identifying opportunities for housing development and revitalization opportunities in neighborhoods with similar development patterns and characteristics across the City. (City Planning and Development)

How To Get There: City Objectives and Strategies For Housing

2. Increase accessibility to socially and physically diverse quality housing throughout the City for all income groups.

- a) Ensure that implementation of the Annual Action Plans meet Affirmatively Furthering Fair Housing (AFFH) goals. (Neighborhoods and Housing Services-Housing)
- b) Ensure that City housing policies encourage the creation and retention of housing units at all levels of affordability and emphasize mixed-income housing. (City Planning and Development)
- c) Undertake data analysis to integrate the understanding of supply and demand into the City's housing policies. (City Planning and Development)
- d) Identify criteria to define and address the creation of workforce housing units through developing a comprehensive housing strategy. (Neighborhood and Housing Services – Housing)

How To Get There: City Objectives and Strategies For Housing

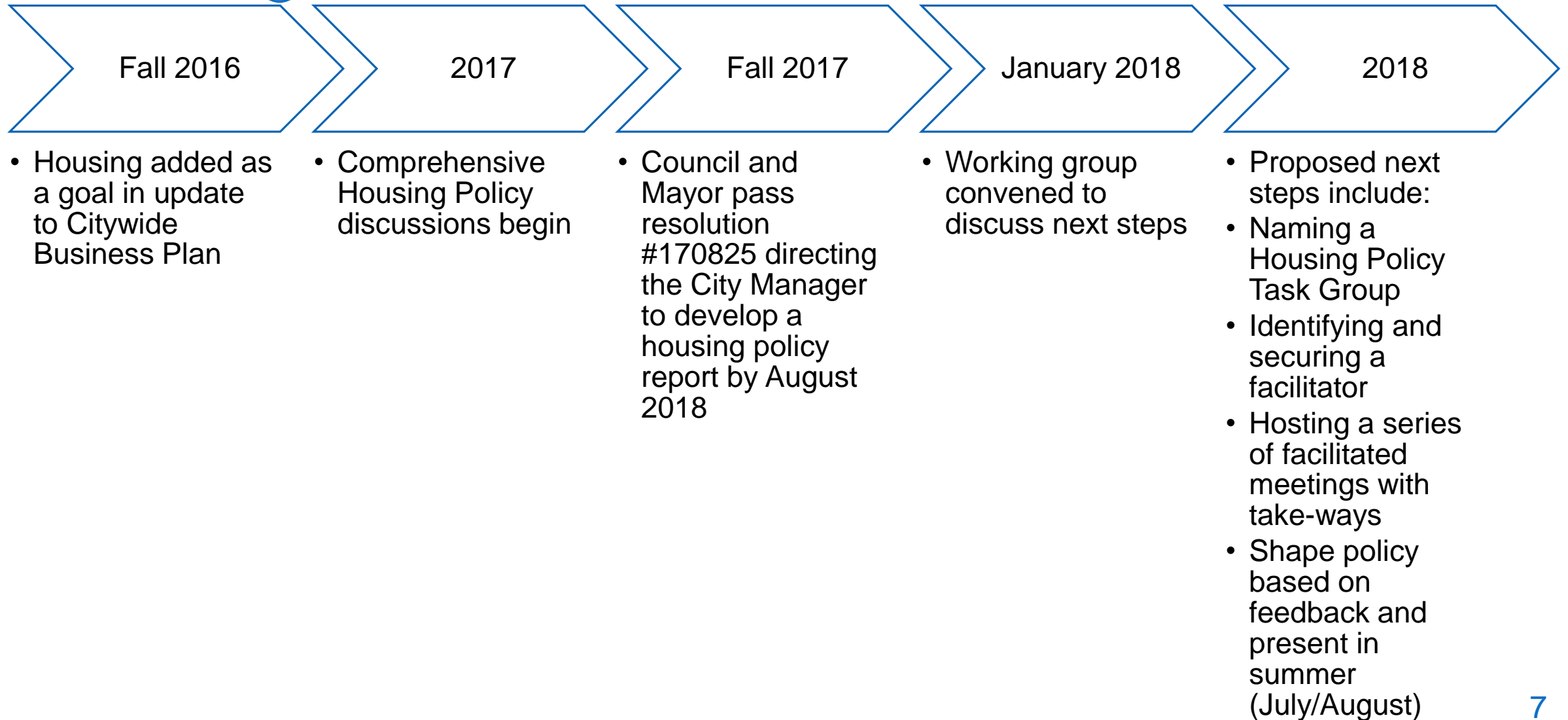
3. Improve the conditions and livability of housing throughout the City.

- a) Expand the reach of Project LeadSafeKC through increased awareness, communication, and testing. (Health)
- b) Implement a Healthy Homes inspection program to protect rental property occupants from environmental hazards. (Health-Environmental Health Services)
- c) Identify funding sources to improve and maximize energy efficiency in order to reduce costs for residents, particularly on low-income households and multi-family low-income housing. (Office of Environmental Quality)
- d) Utilize the City's Transit Oriented Development Policy to encourage higher density for new housing developments within close proximity of frequent public transit service.

Housing Objective Metrics

Objective #	Metrics	FY15 Actual	FY16 Actual	FY17 Target	FY17 Actual	FY18 Target	FY19 Target
1	Number of loans for rehabilitation and infill of single-family homes	--	--	--	--	TBD	TBD
2	Percent residents satisfied with accessibility of affordable housing	--	--	--	--	TBD	TBD
3	Percent of children with elevated blood lead	4%	4%	--	6%	5%	5%

Housing Policy Plan



**Objective 2: Increase
accessibility to socially and
physically diverse quality
housing throughout the City for
all income groups.**

Strategy A

Ensure that implementation of the
Annual Action Plans meet
Affirmatively Furthering Fair
Housing (AFFH) goals.
(Neighborhoods and Housing
Services-Housing)

Crosswalk between Consolidated Plan and AFFH

SP-25 Priority Needs	AFFH Goal Numbers	AFFH Goal Names	Con Plan 5-Year Goal
Rental Housing: New	8, 14, 22	Gap Financing, Mixed Income Housing, Choice Neighborhoods	400 units
Rental Housing: Rehab	8, 14, 22, 23	Gap Financing, Mixed Income Housing, Choice Neighborhoods, Abandoned and Foreclosed Property	300 units
Owner Housing: New	15	Homeownership	2,415 units
Owner Housing: Rehab	11, 15, 17, 23	Housing Rehab, Homeownership, Accessibility Improvements, Abandoned and Foreclosed Property	15 units
Homeless Prevention	10	Housing Counseling	36,000
Youth Services	29	Support Education Initiatives	2,850
Child Care	29	Support Education Initiatives	900
Economic Development	30	Section 3 Jobs & Contractor Development Program	200 jobs 40 businesses
Planning and Admin	7, 12, 13, 16, 18, 26, 27, 32, 33, 35, 37	Housing and community development planning	

Other AFFH Goals (No Con Plan Funding) and Owners

Owner	AFFH Goal Numbers	AFFH Goal Names
Human Relations Department	1, 3, 4, 6, 31	Outreach, Education, Training, Enforcement
Health Department	19	Healthy Homes, Childhood Lead Poisoning Prevention Program
City Planning and Development Department	5, 24, 25, 28, 34, 36, 38, 39	Development Code, AFFH Zoning, Legislative, Affordable Housing Incentives
Housing Authority of Kansas City	2, 9, 20, 21	Public Housing Planning

Other Consolidated Plan Priorities

SP-25 Priority Needs
Public Facilities
Other Public Services
Economic Development
Blight Elimination
HOPWA Non Homeless Special Needs
Senior Services
Planning and Admin
CHDO Set-Aside
Section 108 Debt Service

Highlight: Current Projects

These multi-family projects have recently closed or will close this month.
Construction or rehab will follow:

Project Name	Total Development Costs	Units
Blenheim School Apartments	\$11,030,802	52 Units
Pendleton ArtsBlock Apartments	\$8,704,040	38 Units
Quinlan Place Apartments	\$13,013,838	57 Units
Woodbridge Apartments	\$16,519,300	115 Units
<u>Total</u>	<u>\$49,267,980</u>	<u>262 Units</u>

Follow-up Item from July 2017 KCStat: Balance of HUD Liability and Resolution Schedule

Project/Location	Liability Amount	Status
Colonnades	\$2,852,077	Under construction. Completion scheduled for August 2018
SW Quad	\$1,087,120	Infrastructure in by September 2018. Construction on 26 single family homes to begin in fall 2018
Hotel – 24 th and Troost	\$1,011,348	Close and commence construction in spring 2018
Milhaus – Troost at 26 th	\$527,312	To close on land in January 2018. Construction complete June 2019
China Kitchen – 27 th and Troost	\$205,873	To close on land in February 2018
<u>Total</u>	<u>\$5,683,730</u>	

New Constraint: Elimination of State Tax Credits

- In the summer of 2017, a special committee appointed by Governor Eric Greitens recommended elimination of the State Low Income Housing Tax Credit (LIHTC) program
- Since then, the Governor and MHDC have elected to withhold tax credits in 2018.
- The elimination of state LIHTC creates a major funding gap for City projects
- Approximately \$7-\$10 million would be needed to fill this gap

Housing Trust Fund Revenue Source Overview

A Housing Trust Fund has been researched as a potential option to dedicate more funding to housing programs. A short list of cities utilizing housing trust funds as well as their recurring revenue source is below:

Cities	Fees	Taxes	Other
Denver, CO	Developer impact fees	Property tax	
Atlanta, GA			Tax increment funds
Indianapolis, IN	Filing/recording fees		
Louisville, KY			General Fund; National Mortgage Settlement Funds
New Orleans, LA		Property tax	
Minneapolis, MN			Housing revenue bonds; GF; federal funds
St. Louis, MO		Use tax	
Charlotte, NC			Bond revenues
Nashville, TN		AirBnB tax	Sale of city land; GF
Austin, TX	Inclusionary zoning in-lieu	From land previously owned by city	
Milwaukee, WI		Property tax	Bond revenues

Source: Center for Community Change

Strategy B

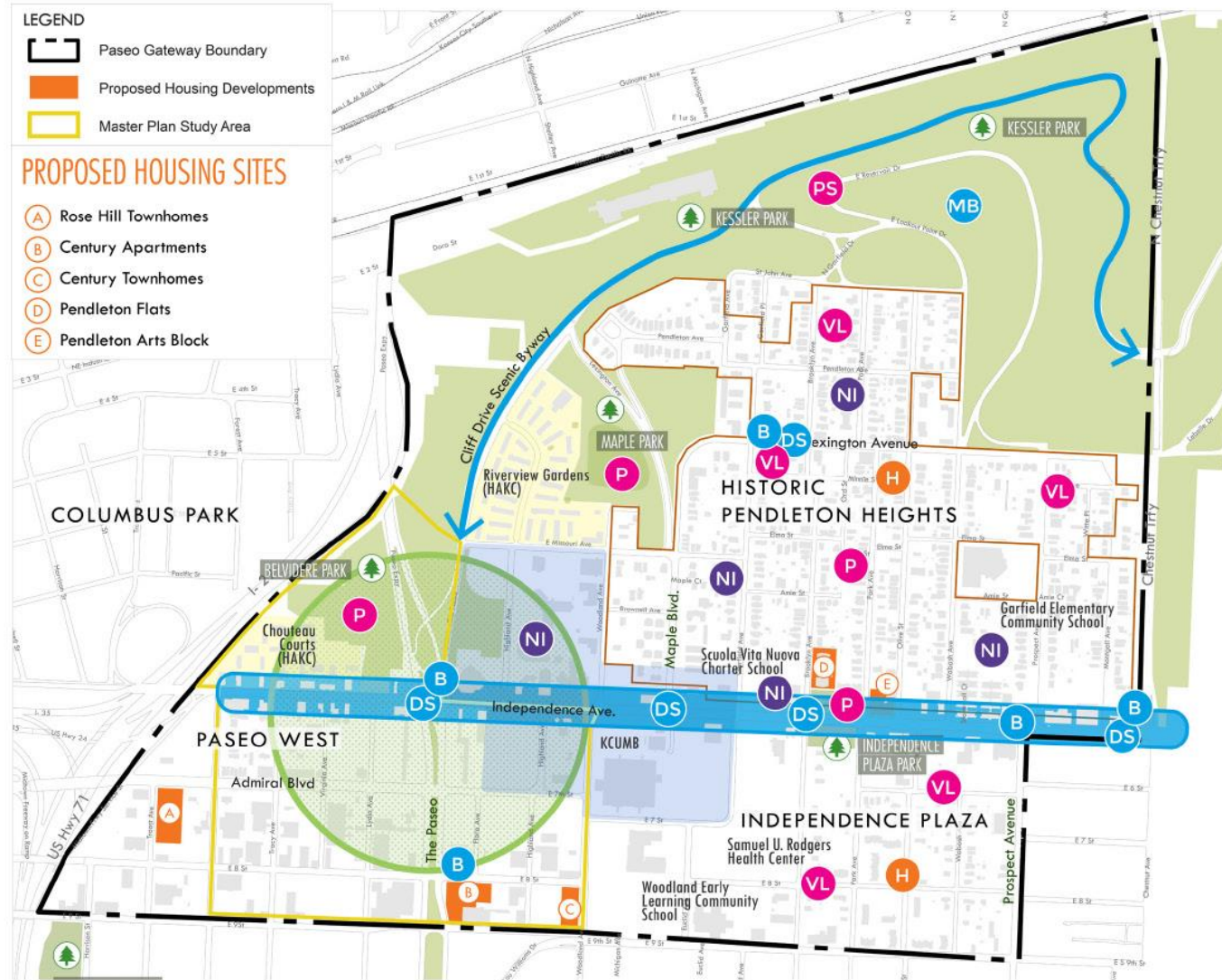
- a) Ensure that City housing policies encourage the creation and retention of housing units at all levels of affordability and emphasize mixed-income housing.
- b) (City Planning and Development)

Choice Neighborhoods Grant: Emphasizing Mixed-Income Housing

- Choice Neighborhoods Grant
 - \$30 million to support neighborhood revitalization along Independence Avenue
 - Kansas City was awarded the funding in September 2015
 - The mixed income 30-unit (10 public housing, 10 affordable, 10 market rate) Pendleton Flats was completed in 2017
 - Pendleton Arts Block, Quinlan Row, and Quinlan Place will begin construction in Spring 2018
 - Demolition of the Chouteau Courts apartment complex to occur in Spring 2018



Choice Neighborhoods Grant Area

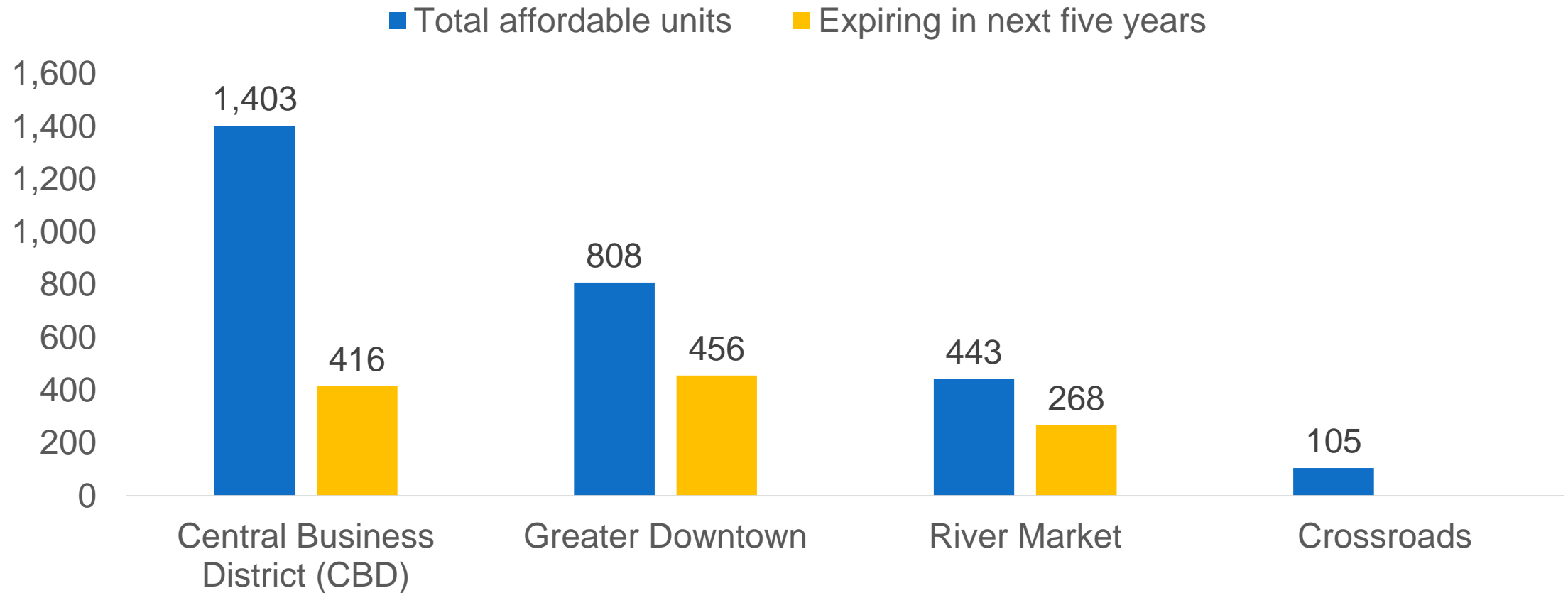


Affordable Housing Preservation in Downtown Area

- Retaining existing affordable housing units is cost-effective compared to development of new units.
- It also meets the objective of supporting mixed-income housing in areas with strong development activity.
- Many Low-Income Tax Credit units in the downtown area will expire from their required affordability period within the next five years.
- The city has opportunity to use its existing debt position on many of these developments as leverage for resyndication of the tax credits.
- As a first step, MHDC has agreed to notify the city directly when a development is planning to move to market rate.

Affordable Housing At Risk in Next Five Years

1,140 units of affordable housing are expiring in the next five years in the Downtown area. This represents a 41% decline from the 2,759 units that are currently affordable, assuming no new units are added.



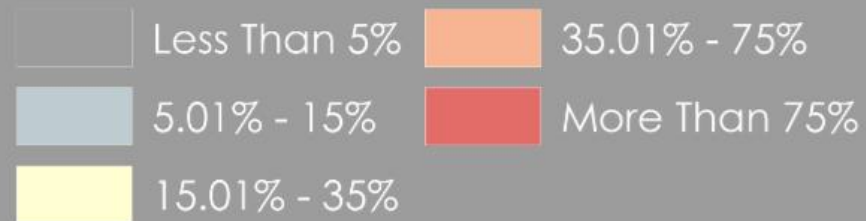
Strategy C

Undertake data analysis to integrate the understanding of supply and demand into the City's housing policies.

(City Planning and Development)

Percent of Households Receiving Housing Subsidy
Source: MVA

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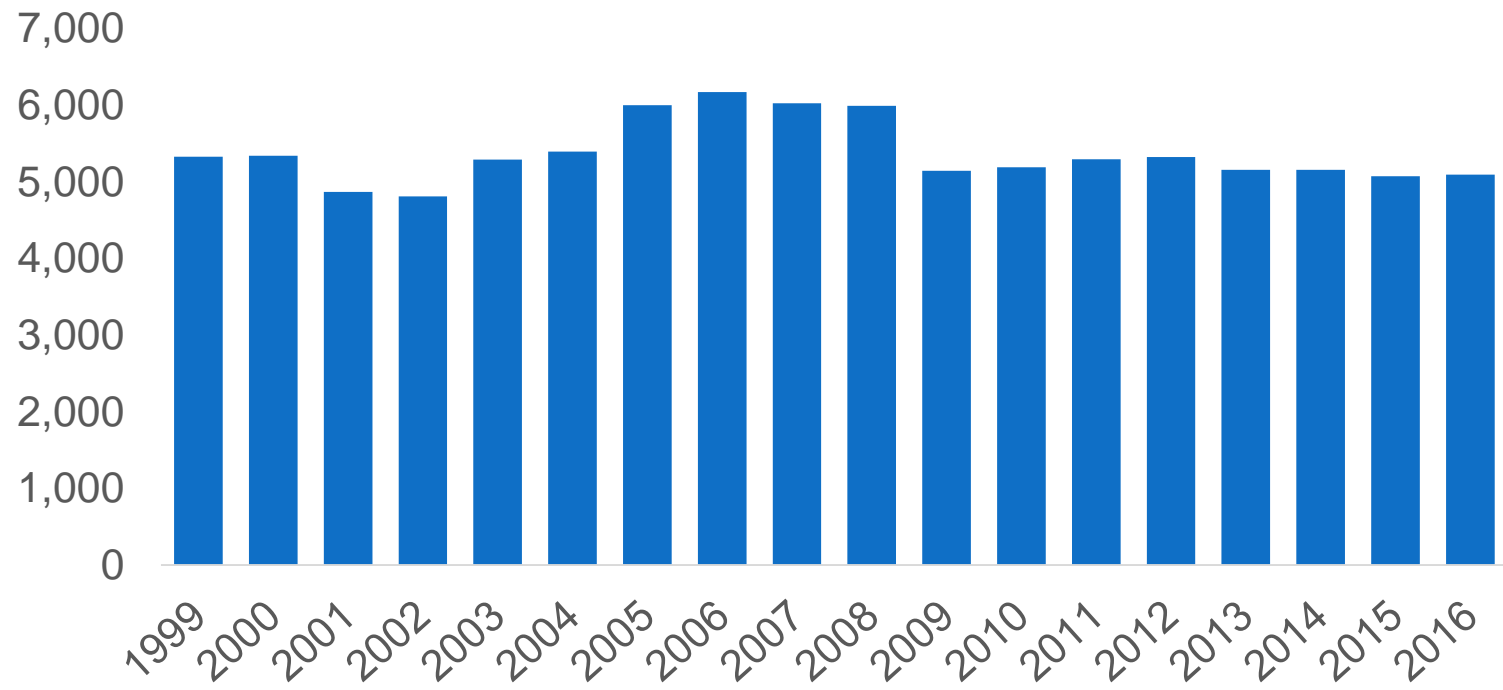


Evictions: New Data Set

- The issue of evictions has risen in profile nationally since the publication of Matthew Desmond's Pulitzer-Prize winning book Evicted
- Locally, the KCMO civic community has been introduced to Tara Raghuveer, who collaborated with Desmond on KC-area eviction data while he was writing the book.
- UMKC, the KC Library, and KCPT are also engaged in discourse and research around this topic.
- 17 years of data on formal evictions in Jackson County has recently been obtained, and is being utilized to better understand the issue locally and discuss policy options.

Evictions Per Year

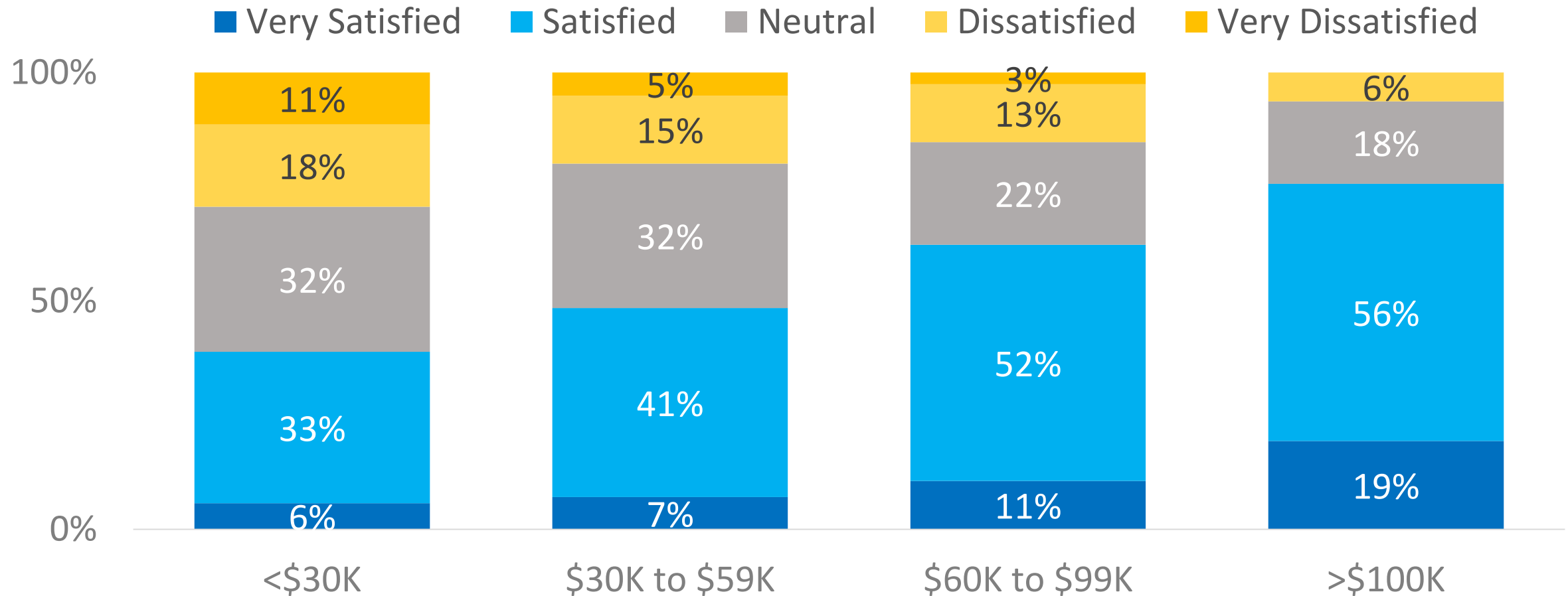
The Jackson County portion of Kansas City, MO averaged **5,367** formal evictions annually. This is equivalent to **14 evictions per day**, and **4% of Jackson County households**.



Resident Survey: Satisfaction with Availability of Affordable Housing

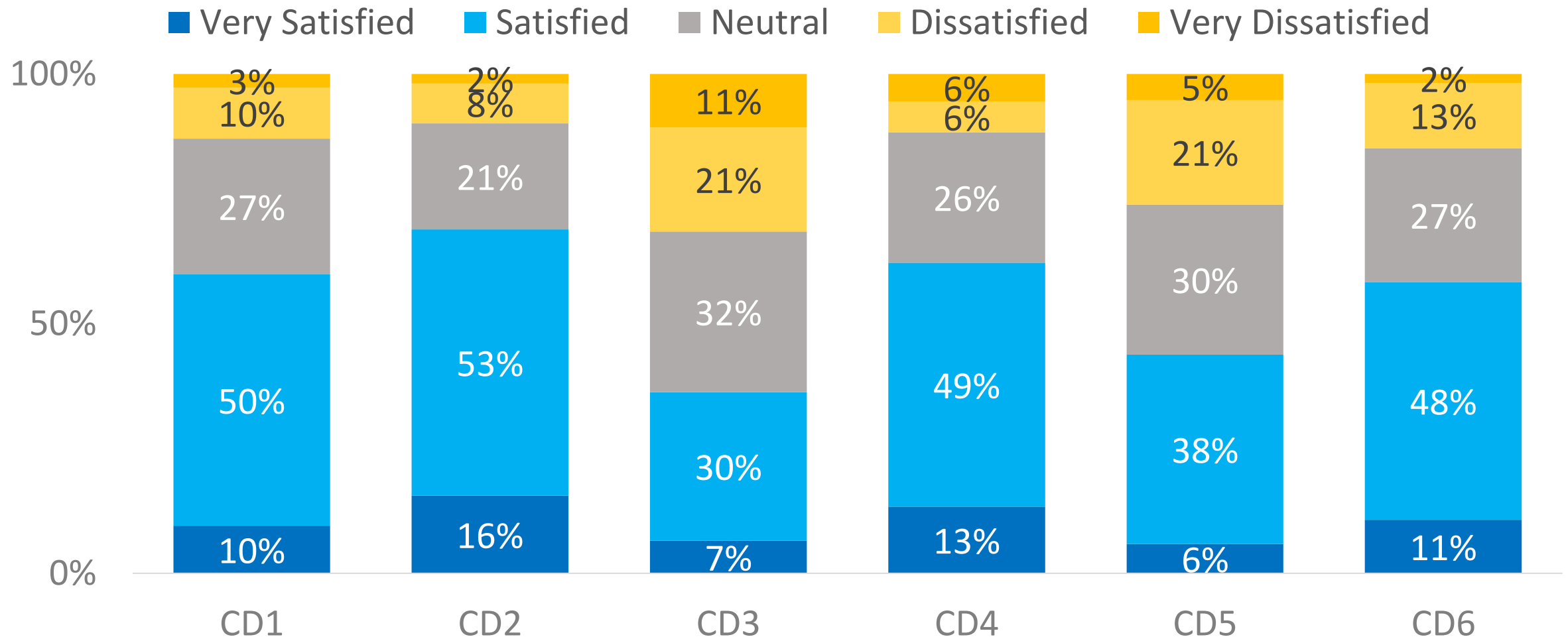
- Two questions were added to the Resident Survey in FY17-18 to gauge residents' satisfaction with **availability of affordable housing** and **quality of housing**
- Mid-year data is available for these questions; full data will be available later this spring
- Overall, **57% of residents are satisfied** with availability of affordable housing and **18% are dissatisfied**. However, there are significant differences when looking at the results by income, geography, and race.

Satisfaction with Availability of Affordable Housing by Household Income



29% of residents with less than \$30K household income are dissatisfied with availability of affordable housing

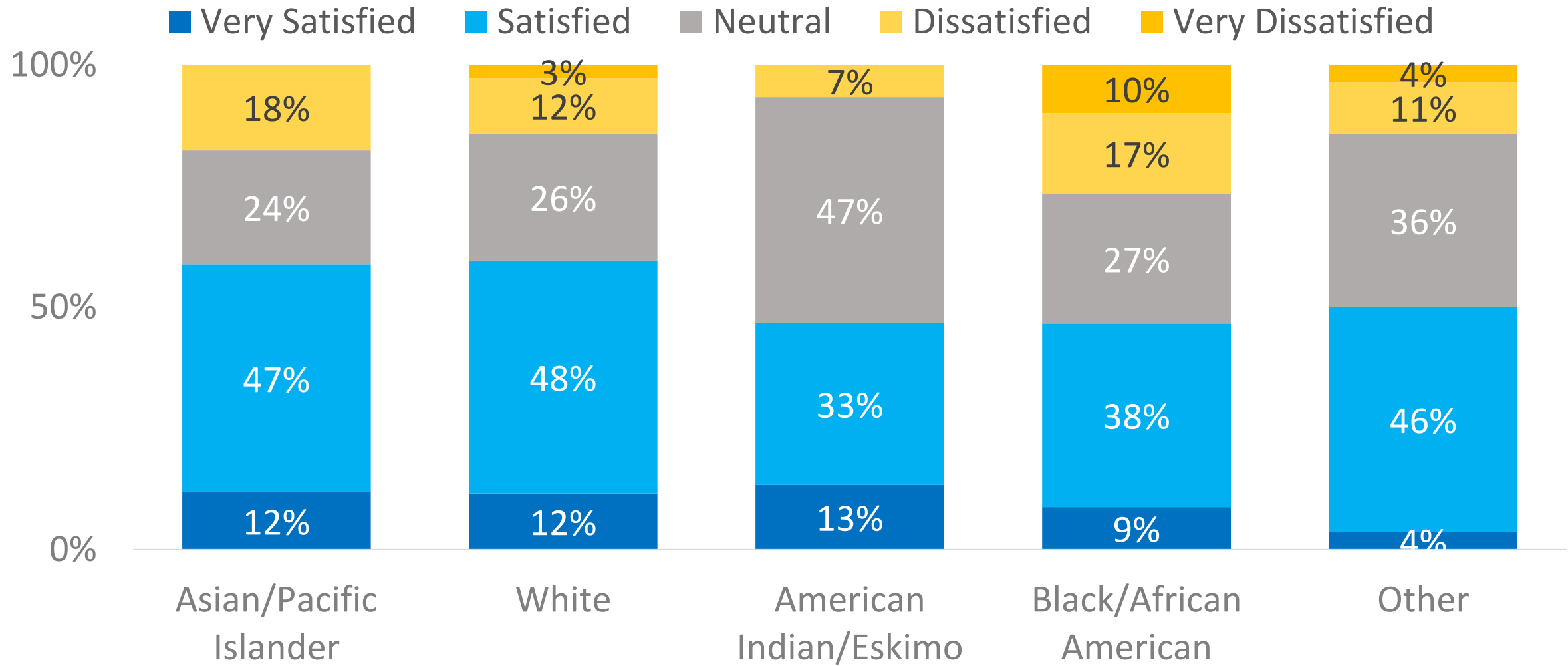
Satisfaction with Availability of Affordable Housing by Council District



32% of 3rd district residents and 26% of 5th district residents are dissatisfied with availability of affordable housing

Source: Resident Survey, FY17-18 thru Q2

Satisfaction with Availability of Affordable Housing by Race



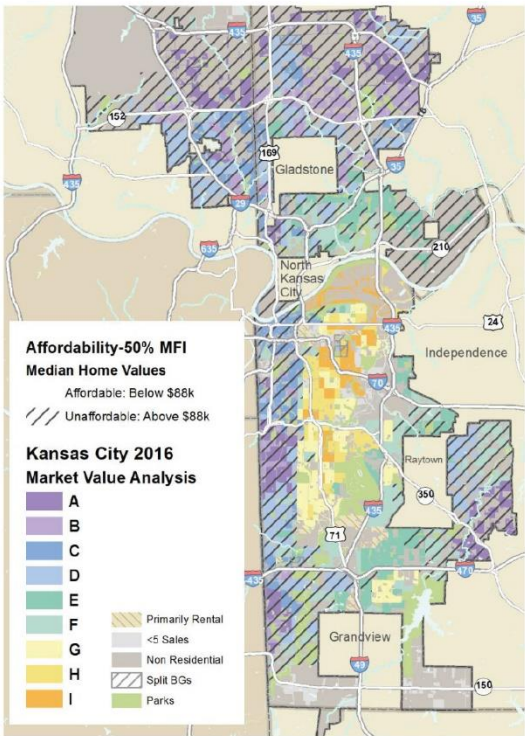
27% of African-American residents are dissatisfied with availability of affordable housing

Strategy D

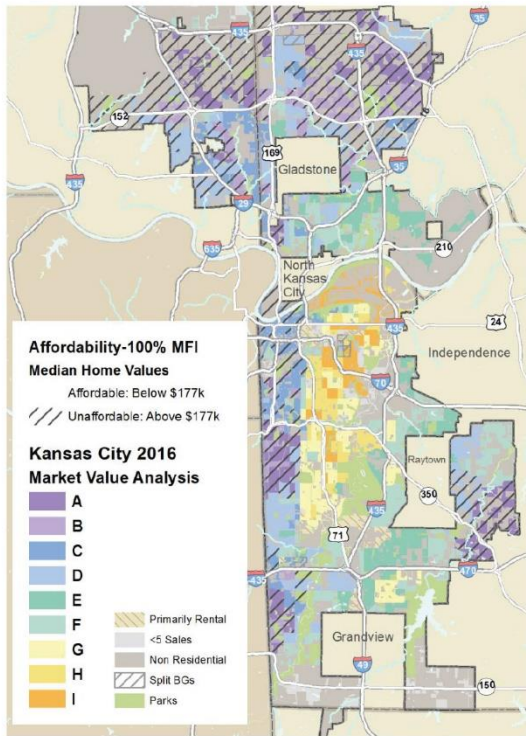
Identify criteria to define and address the creation of workforce housing units through developing a comprehensive housing strategy.
(Neighborhood and Housing Services – Housing)

Workforce Housing – Definition and Current Location

Workforce housing is generally considered to be housing that is affordable at 60% to 100% of Area Median Income (\$44,880 to \$74,800 for a four person household)



	Total Block Groups	Affordable at 50%
A	34	0%
B	28	0%
C	64	0%
D	69	1%
E	52	62%
F	45	42%
G	53	100%
H	35	100%
I	28	100%
NULL	33	21%
Total	441	40%



	Total Block Groups	Affordable at 100%
A	34	0%
B	28	4%
C	64	66%
D	69	77%
E	52	100%
F	45	100%
G	53	100%
H	35	100%
I	28	100%
NULL	33	21%
Total	441	72%

Case Study: \$15/hour wage

\$31,200

- Approximate annual earnings for full-time employment

52.7%

- Percent of area median income

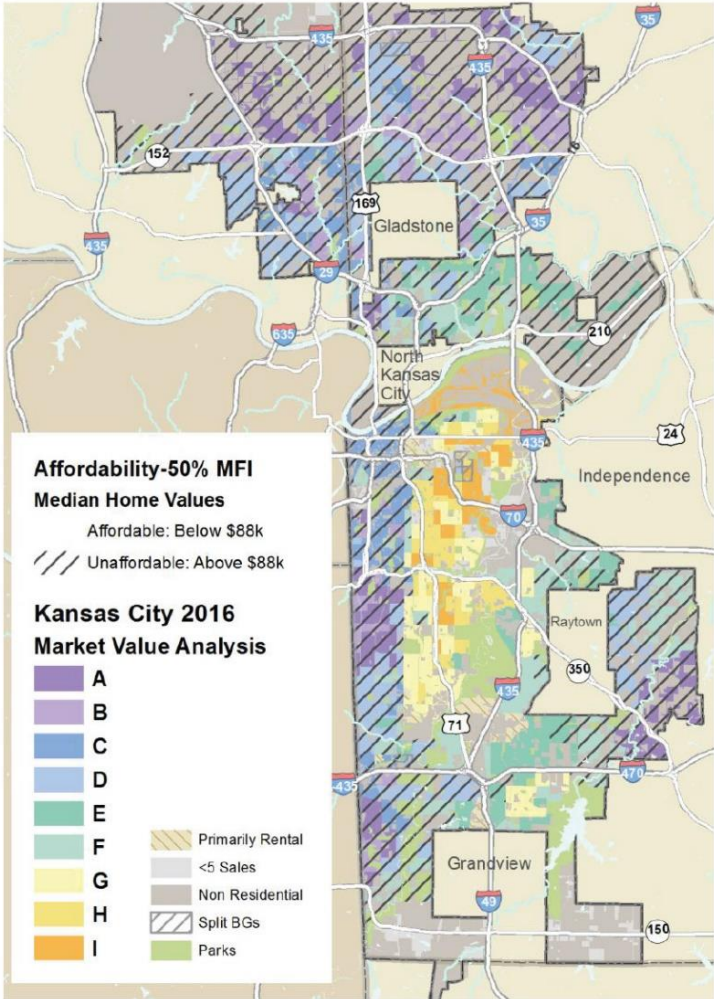
\$93,600

- Approximately value of affordable home (3x income)

\$650/month

- Approximately amount of affordable rent (25% gross income)

Housing Affordability by MVA Category at 50% of AMI

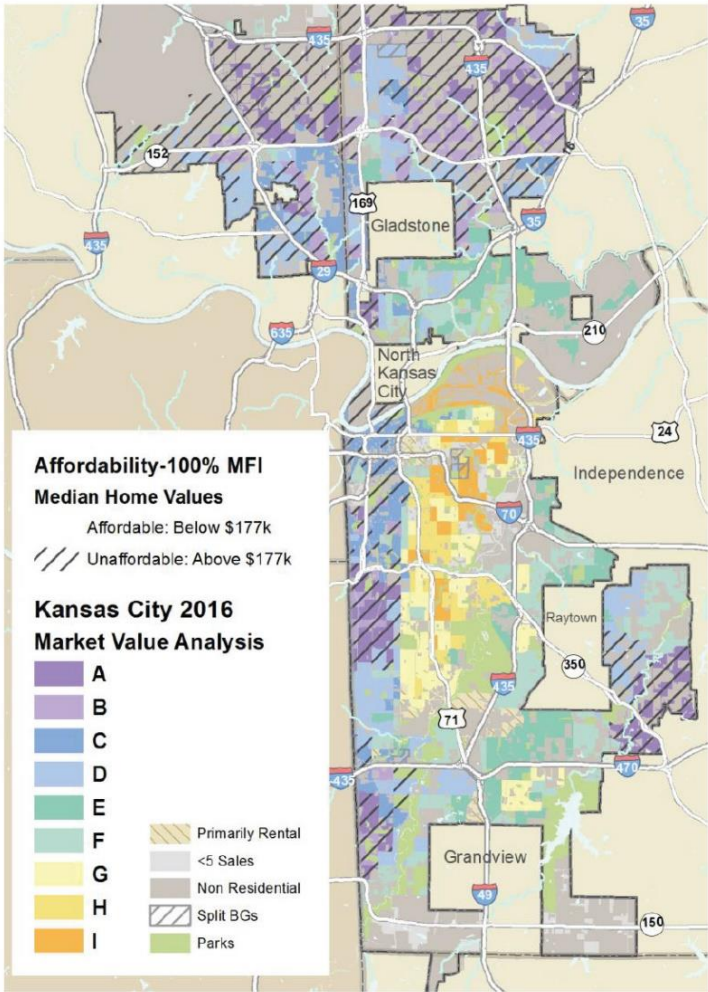


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G	53	100%
H	35	100%
I	28	100%
NULL	33	21%
Total	441	40%

Case Study: Living Wage (\$24.50/hour)

\$50,960	<ul style="list-style-type: none">Approximate annual earnings for full-time employment
86.1%	<ul style="list-style-type: none">Percent of area median income
\$152,880	<ul style="list-style-type: none">Approximately value of affordable home (3x income)
\$1,061/month	<ul style="list-style-type: none">Approximately amount of affordable rent (25% gross income)

Housing Affordability by MVA Category at 100% of AMI



	Total Block Groups	Affordable at 100%
A	34	0%
B	28	4%
C	64	66%
D	69	77%
E	52	100%
F	45	100%
G	53	100%
H	35	100%
I	28	100%
NULL	33	21%
Total	441	72%

Additional Factors to Consider in Affordability

- Cost of utilities
- Cost of maintenance for home owners
- Property taxes and insurance
- Transportation cost and travel times for households
- Quality of affordable units
- Threat of eviction
- Quality of life in the neighborhood

Objective 3: Improve the conditions and livability of housing throughout the City.

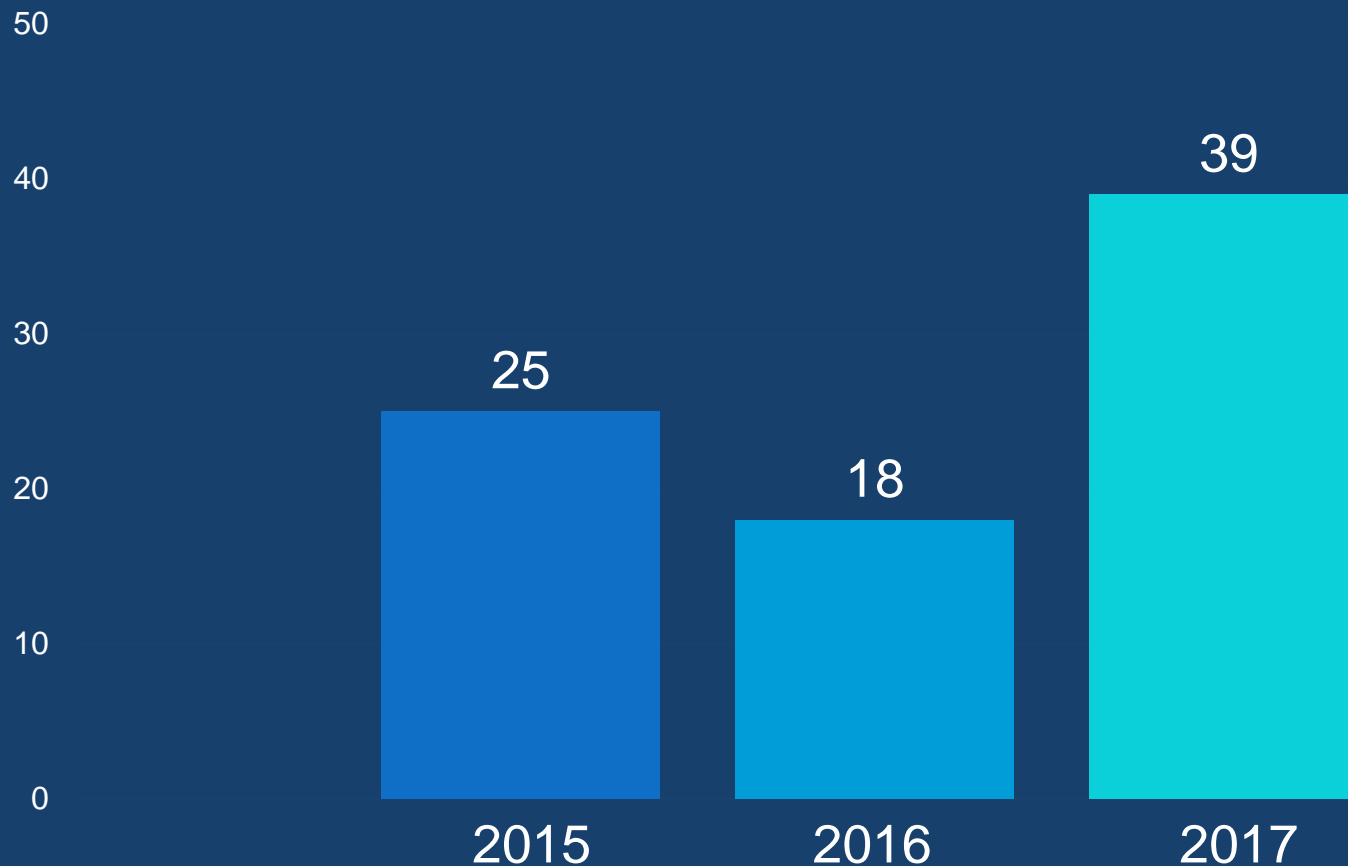
Strategy A

- a) Expand the reach of Project LeadSafeKC through increased awareness, communication, and testing.
- b) (Health)

KCHD LEAD TESTING

Cases of Lead Poisoned Children Managed

Number of New Cases of Lead Poisoned Children Opened for Investigation and Comprehensive Case Management (ebl \geq 15 ug/dl)



KCHD LEAD TESTING 2017

1,461

Total Number of Children
Tested by KC Health
Department CLPPP Nurses

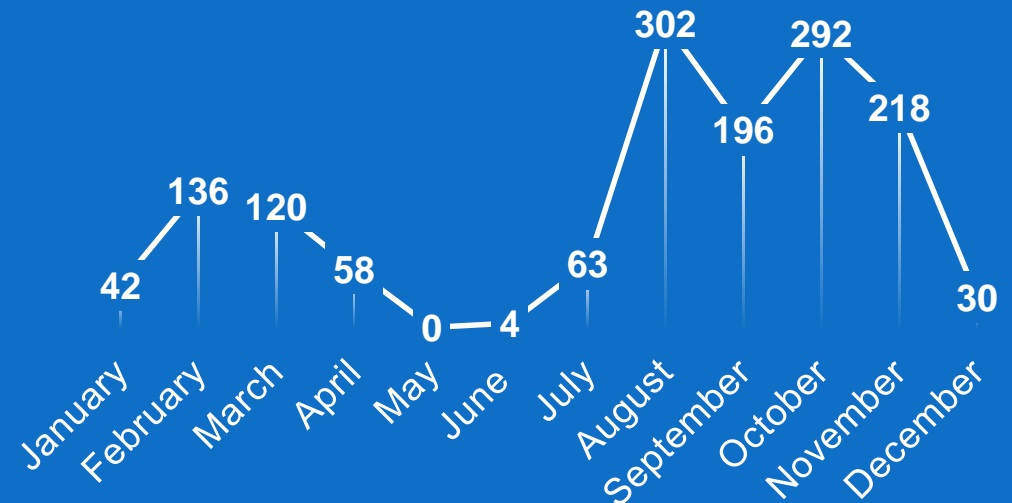
1,399

Total Number of
Children Tested at
Community Testing
Events

62

Total Number of
Children Tested in KC
Health Department
CLPPP Clinics

Number of Children Tested by the
KC Health Department in 2017



Children in Targeted Area HUD Grant Application

	Kansas City, MO	9 Target Zip Codes KC (64109, 64110, 64123, 64124, 64127, 64128, 64130, 64132, 64134)
Total population in target area	459,787	127,438
Total children <6 in proposed target area	40,849 (9%)	11,695 (9.2%)
Number of children <6 tested for elevated blood lead level in target area	8,827 (22%)	3,570 (31%)
Number of children <6 with an EBL $\geq 5\mu\text{g/dl}$ in target area	351 (4%)	251 (7%)

Note: 69% of children at risk in target zip codes are not getting tested.

Number of Homes Remediated for Lead

157,166 homes in KC were built **prior to 1978** and thus are at risk for containing lead paint

2,552 homes have been remediated by LeadSafeKC using **\$19,440,778** in **HUD funding** since 1997

< 2% of the **potential homes in need of remediation** have been addressed through LeadSafe KC

Housing and Urban Development Grant 2017

- Kansas City Missouri Health Department received \$2,900,000 (maximum amount allotted);
- Grant runs for 36 months;
- Program utilizes 9 contractors to complete the work;
- Identifies lead hazards in 162 properties, with a target to complete 152 properties within the 36 months;
- Accepting applications, will start remediation work after the environmental review is complete.

Promoting Lead Prevention Through Marketing

KCHD Lead Prevention COMMUNICATION EFFORTS

Water Bill Insert

- 170,000 INSERTS, resulted in 9 additional applications.

Commercials

- 250 TOTAL NUMBER OF ADS ran, during prime time spots (Chiefs, The Voice, etc.)
- Total viewership of almost 11 MILLION
- Generated over 150 CALLS & 28 APPLICATIONS

Source: Health Dept

From the **WINDOWS**...



...to the **WALLS**

We fix where lead dust falls!

LEAD SAFE   **Public Health**

816.513.6048 • KCMO.GOV • **Health Department**

CITY OF KANSAS CITY, MISSOURI

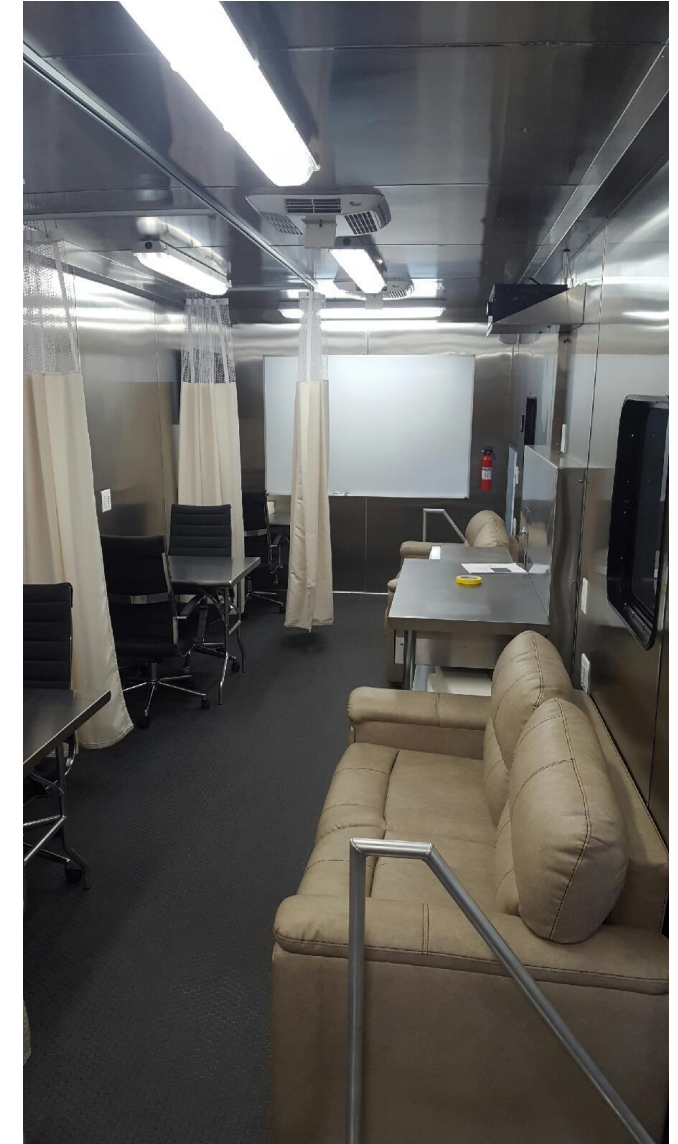
Lead Safe KC – Television Ad



Health Department Mobile Clinic

Mobile Health Truck Primary Functions

- Clinical and Mobile Health Services (Including Lead screening)
- Health Education
- Emergency Response
- Community Outreach
- Department Marketing & Large Scale Events

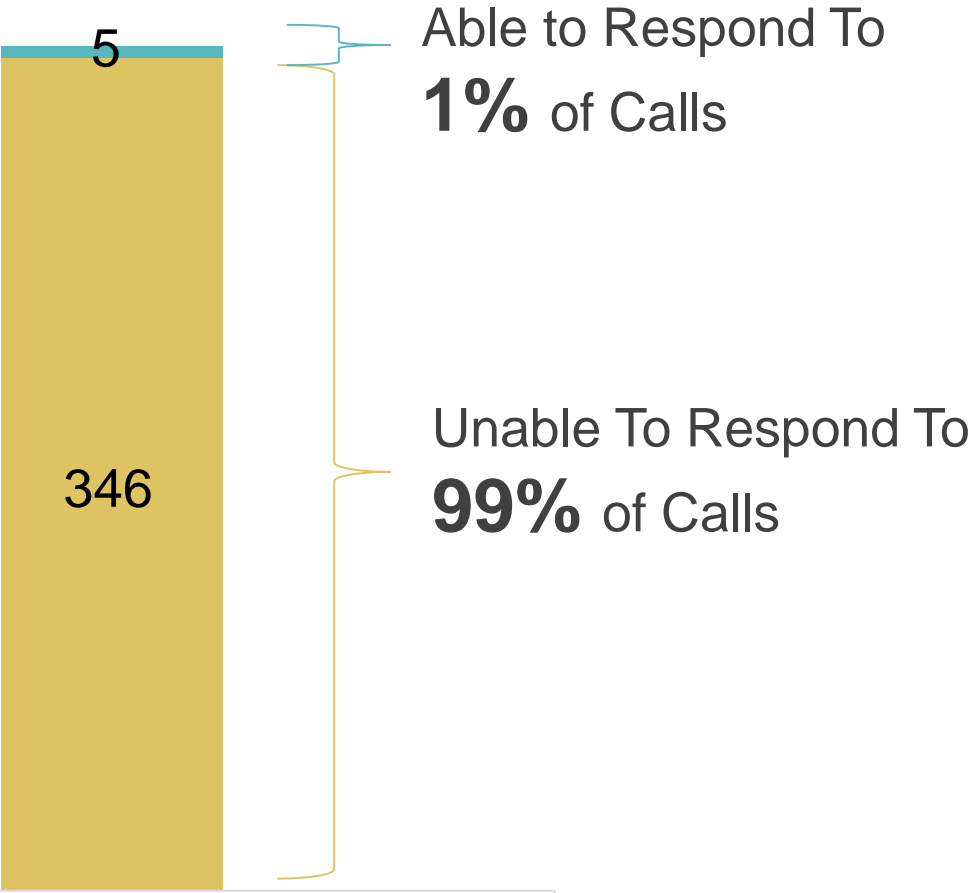


Strategy B

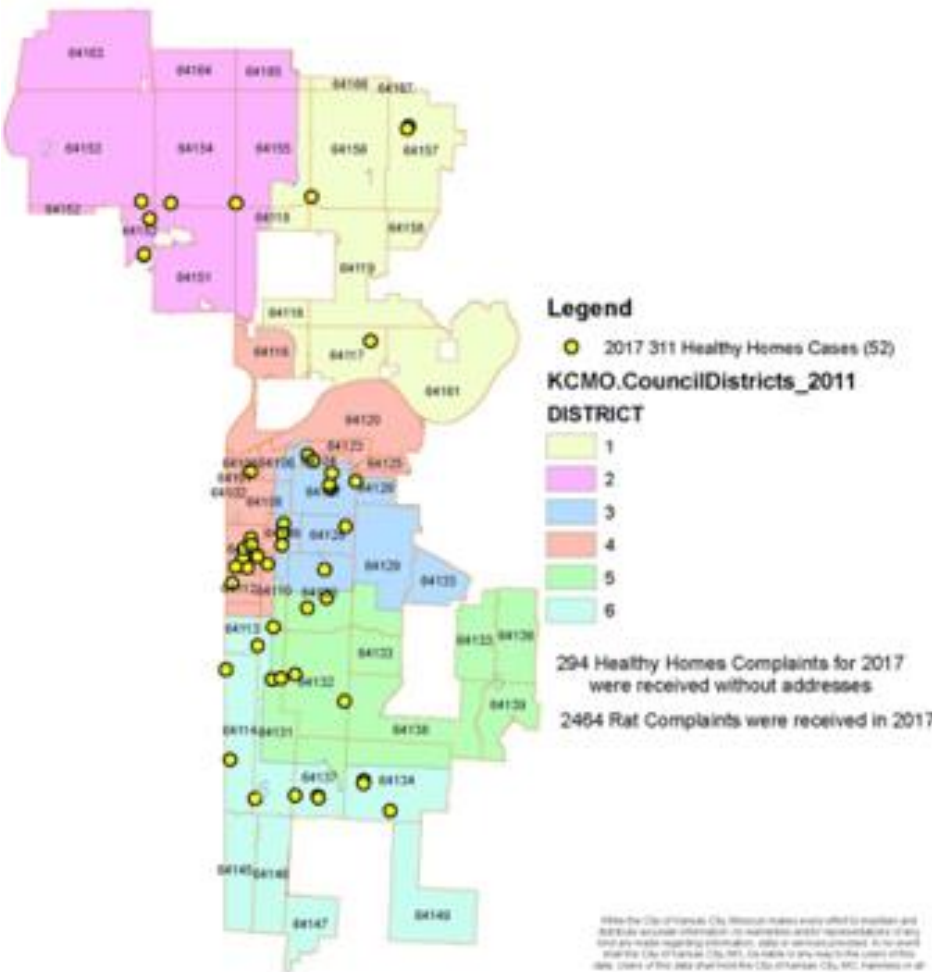
- a) Implement a Healthy Homes inspection program to protect rental property occupants from environmental hazards.
(Health-Environmental Health Services)

Healthy Homes Complaints Received

Number of 311 Healthy Homes Complaints Received in 2017



Kansas City, Missouri Health Department
2017 Healthy Homes Cases



Current Healthy Homes Ordinance Proposal

KC Health Department presented Ordinance proposal to the Housing Committee in late 2017

- Ordinance was held for further discussion
- Will be back to the Housing Committee late this month/early next month



Healthy Homes Rental Inspection Ordinance Proposal

Kansas City Missouri Health Department
Environmental Health Services



Current Healthy Homes Ordinance Proposal

Healthy Homes Rental Inspection Ordinance Proposal

What is the Ordinance?	<ul style="list-style-type: none">Complaint-based Healthy Homes Rental Inspection Program
Impact	<ul style="list-style-type: none">A person may not offer for rent a residential property without a valid rental permitLandlords submit annual application with a self inspection or a third party inspection
KCHD's Role	<ul style="list-style-type: none">Will respond to complaints as they are receivedFollow up inspections assigned as needed
Compliance	<ul style="list-style-type: none">Compliance plans developed with operators to gain compliance over timeLack of compliance may lead to further enforcement

Associated Costs

\$25	<ul style="list-style-type: none">Cost of annual application submittal
\$0	<ul style="list-style-type: none">Cost for responding to complaint
\$0	<ul style="list-style-type: none">Cost if no violations are noted
\$0	<ul style="list-style-type: none">Cost if violations are corrected at time of inspection
\$0	<ul style="list-style-type: none">Cost if violations are corrected before re-inspection date
\$150	<ul style="list-style-type: none">Cost of re-inspection if inspector has to go back
\$100	<ul style="list-style-type: none">Cost for every additional unit that must be re-inspected
\$15	<ul style="list-style-type: none">Late Fee for unrenewed permits; permits not applied for before deadline
\$300	<ul style="list-style-type: none">Permit Reinstatement Fee

Current Policy: Rental Housing Registration through Neighborhood and Housing Services Department

- Rental property owners are required to register their properties or update their property registration on an annual basis between December 1 and January 31.
- Failure to comply can result in a fine of \$50/property
- Approximately 1,460 renewals/registrations have been completed this year on a YTD basis, representing 4,951 properties
- In 2017, 3,316 violations were issued for failure to register rental properties
- There are estimated to be approximately 71,000 parcels of rental housing (46% of all residential parcels)

Property registrations and updates are due by **January 31, 2018**. Registration can be completed on the City's website: <http://kcmo.gov/neighborhoods/neighborhood-preservation/rental-property-registration-2/>

Strategy C

- a) Identify funding sources to improve and maximize energy efficiency in order to reduce costs for residents, particularly on low-income households and multi-family low-income housing. (Office of Environmental Quality)

Clean Energy Resolution

Clean
Energy
Resolution
No. 170586

- The City Manager, in consultation with the City's Climate Protection Plan Steering Committee, local energy providers, and other key stakeholders including large employers, financial institutions, and community leaders, is leading the evaluation of the feasibility of implementing various clean energy initiatives.

Report
Findings to
Council

- By March 1, 2018

How Many
Initiatives?

- 10 Clean Energy Initiatives

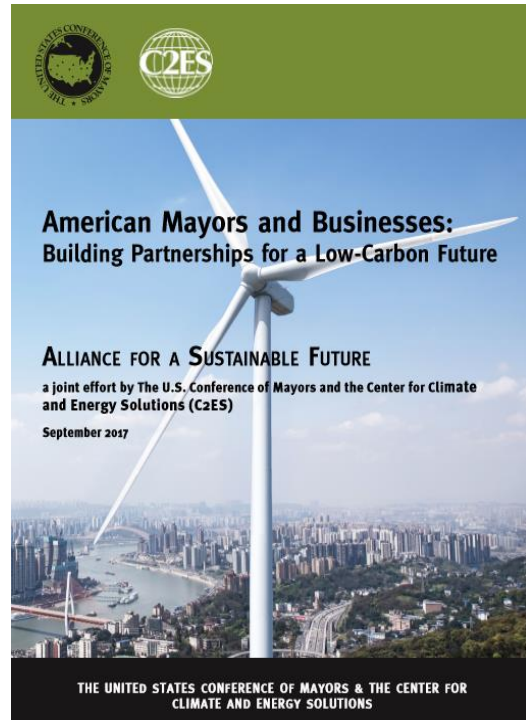
Clean Energy Housing Initiatives

D – Developing an initiative to **increase energy and water efficiency, solar, and electric vehicles (EV)** in underserved communities by June 30, 2018.

E – Developing a strategy for **increasing customer interest in clean energy financing**, include Property Assessed Clean Energy investments and investments at time of refinancing, with an **emphasis on low-income multi-family building owners** by June 30, 2018.

Kansas City HERO Program

- Mayor James and Kansas City are featured as a case study in the Alliance for a Sustainable Future's Report, focusing on Renovate America's HERO (residential PACE) program
- Kansas City homeowners have access to the "HERO" program, which makes residential PACE loans to homeowners to improve the energy efficiency of their homes and install solar energy systems to generate clean energy



1st Year of Operation

1,080 residential assessment applications received

650 residential assessment applications approved

333 homes improved

538 improvement projects completed - 460 energy efficiency, 78 solar energy installations

\$5.2 million Total value of projects completed

21.5 million kWh projected energy savings over useful life of technologies

13,700 tons GHG reductions expected from these projects over useful life ⁵¹

Energy Efficiency Programs and Strategies

Low income, Multi-family Housing

Over the past year, Kansas City has been working with several local, regional, & national organizations who have an interest in how to strategically provide the benefits of energy efficiency housing to lower-income residents living in single family and multi-family buildings across the state of Missouri.

Organizations

- Efficiency for All, an initiative focused on improving the energy efficiency of low-income homes
- Midwest Energy Efficiency Alliance (MWEEA), based in Chicago
- The National Housing Trust
- The Natural Resources Defense Council (NRDC)
- Show Me PACE (a commercial PACE provider in KC)
- The Missouri Clean Energy District (MCED), a commercial PACE provider in KC
- Renovate America (operator of HERO, the residential PACE program), affiliated with MCED
- KCP&L
- Spire Energy (our local natural gas utility)
- Metropolitan Energy Center (MEC), a local non-profit
- Bridging The Gap (BTG), a local non-profit
- Renew Missouri (a statewide non-profit focused on energy & environmental issues)

Energy Efficiency Programs and Policies

Low Income, Single-Family Housing

- Low-income weatherization funded by utilities is done by Community Services
- LeadSafeKC work provides weatherization benefits
- Minor Home Repair program provides weatherization benefits

Upcoming: Currently exploring the possibility of a half-day listening session in February where stakeholders will have an opportunity to hear from neighborhood representatives & leaders about what strategies the neighborhoods believe would be most effective to improve the energy efficiency of single family lower-income housing in KC.

Community Action Agency



Healthy Home Services

- The Community Action Agency initiated Healthy Homes services in 2016 to complement weatherization

Targets

- Elderly owner-occupants
- Disabled owner-occupants
- Low-income family owner-occupants
- Renters of apartments or single family units are eligible for healthy homes assistance

Next Steps

- Aligning minor home repair assistance via CDBG (roofs and furnishes) with USCAA healthy homes & weatherization services

Healthy Homes Established

FY2016: 67

FY2017: 80 (target)

Home Weatherizations Completed

FY2016: 228

(190 in Jackson Cty.; 29 in Clay Cty; 9 in Platte Cty)

FY2017: 200 (target)

Strategy D

- a) Utilize the City's Transit Oriented Development Policy to encourage higher density for new housing developments within close proximity of frequent public transit service.
- b) (City Planning and Development)

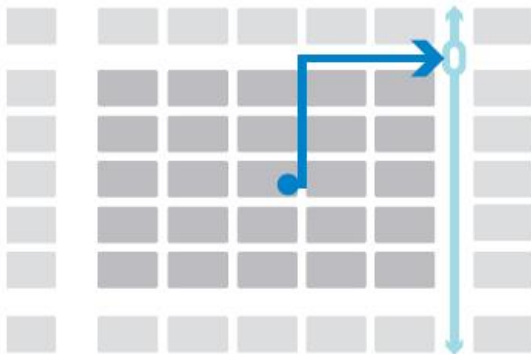
Definition of Transit Oriented Development

Transit-Oriented Development (TOD) is an approach to development that focuses land uses around a transit station or within a transit corridor in order to maximize access to frequent, high-quality transit and the benefits it provides. TOD is characterized by **dense, compact development** with a mix of uses in a pedestrian-oriented environment. The design, configuration, and mix of uses reinforce the use of public transportation, and enhance the vitality of the area.

The Kansas City Transit Oriented Development Policy was adopted on May 18th, 2017 by Resolution #**160361**.

Transit-Oriented Development Is:

Connected



Dense



Diverse

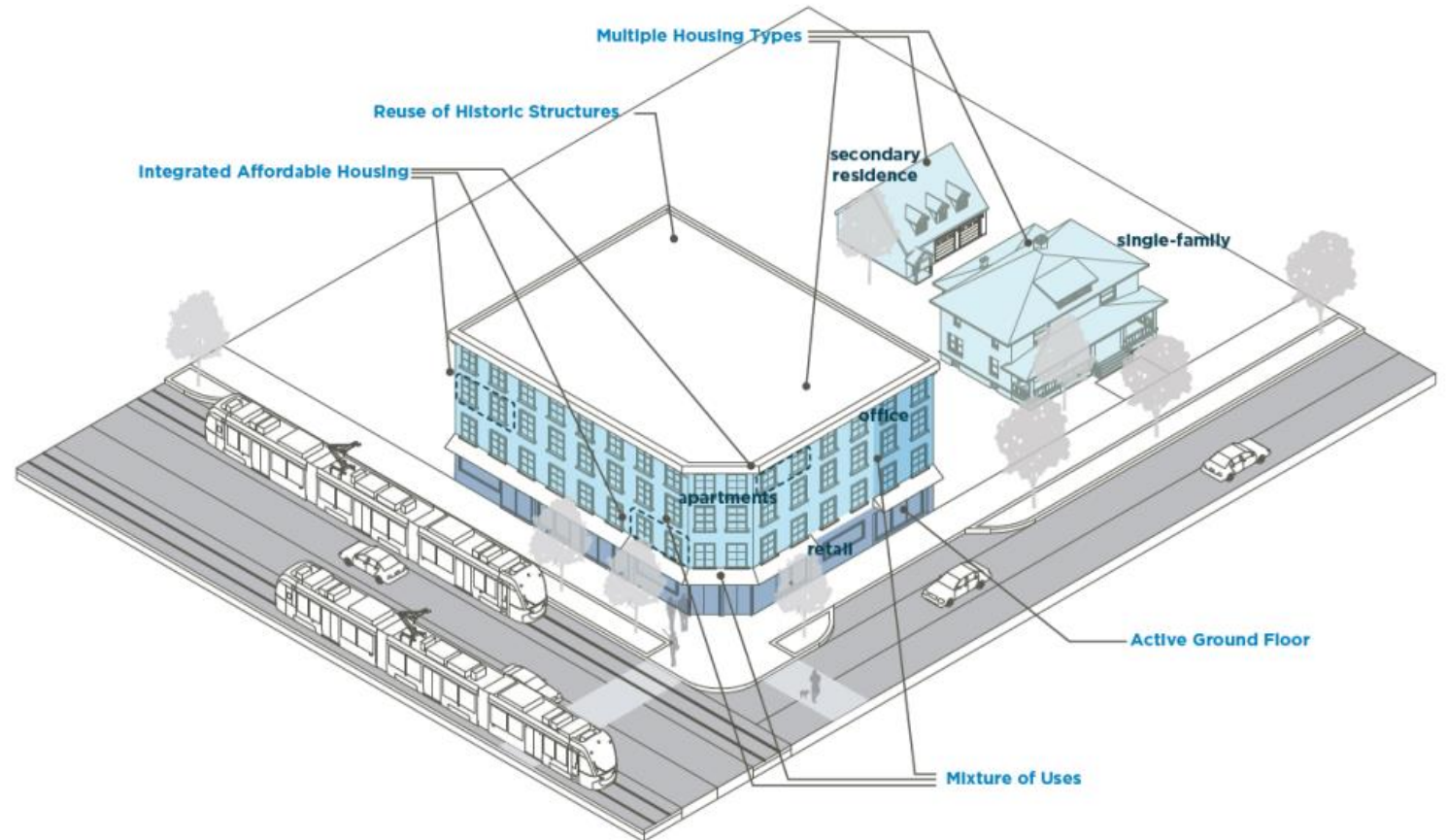


Designed



Definition of Transit Oriented Development

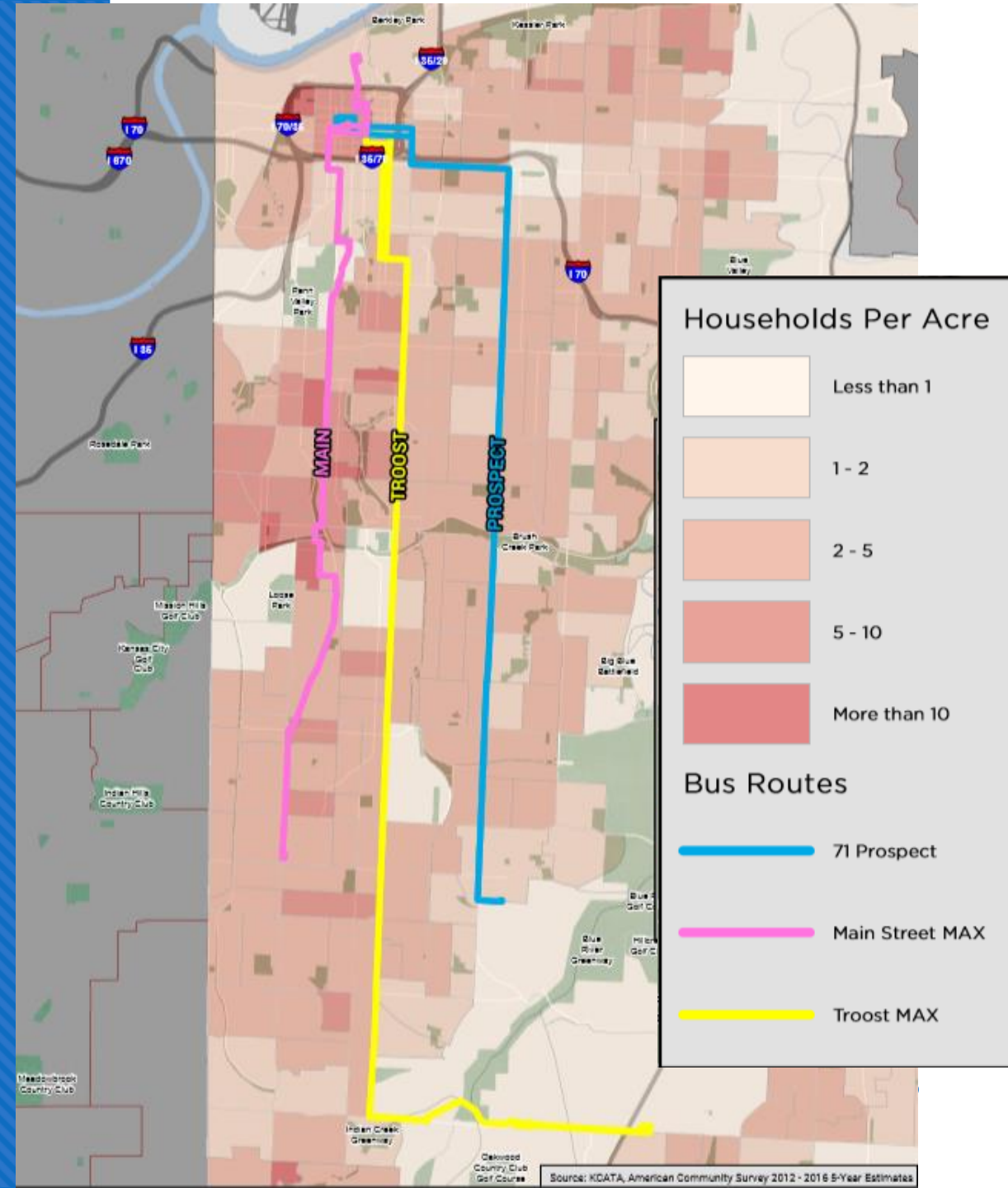
TOD creates a **more compact development pattern** that concentrates jobs, housing, shopping, and services close to transit, thereby increasing the number of users and variety of trips that transit can serve.



Picture of Diversity

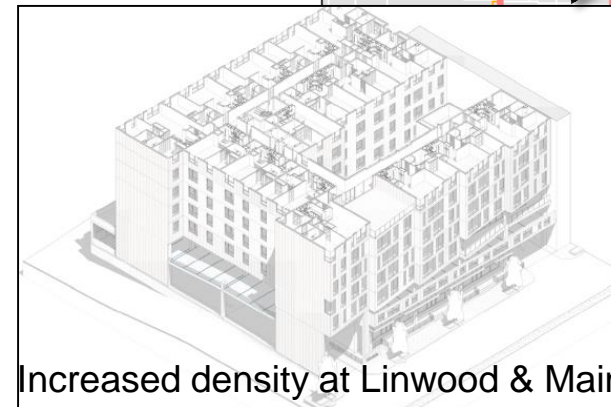
A diverse TOD area should provide a mix of uses, building types, housing options for various income levels, and experiences for pedestrians as they walk from place to place. A diverse environment engenders the uniqueness and spontaneous interactions that drive creative economies.

Current Household Density (2012-2016 ACS Five Year Estimates)



Main Street Overlay

DESIGN STANDARDS



Prospect & Troost MAX

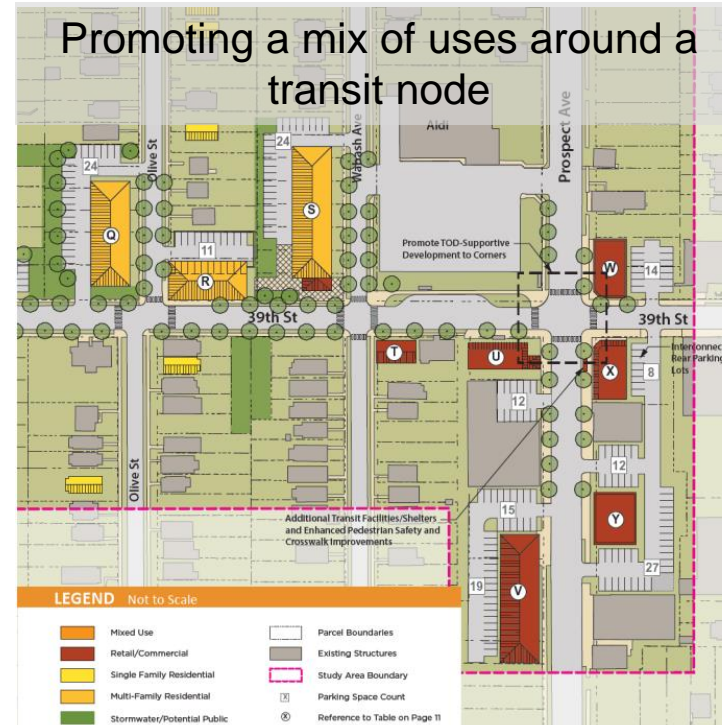
TOD creates a **more compact development pattern** that concentrates jobs, housing, shopping, and services close to transit, thereby increasing the number of users and variety of trips that transit can serve.



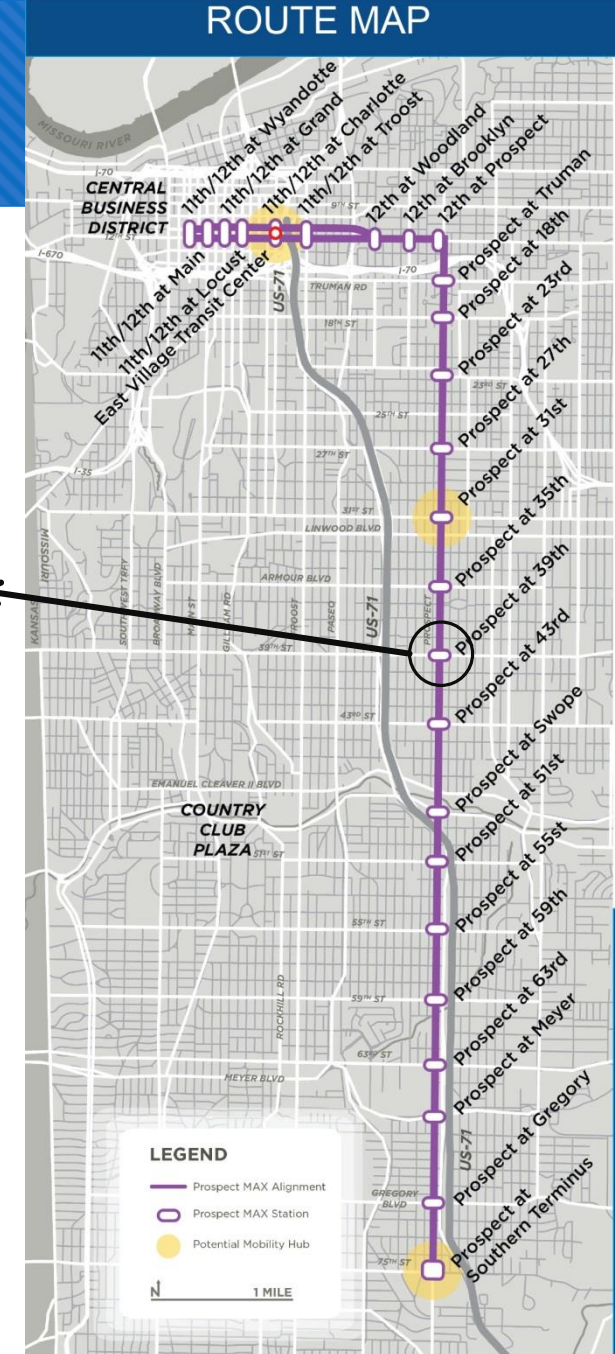
39th & Troost



31st & Troost



Conceptual MAX Stations



Prospect MAX alignment

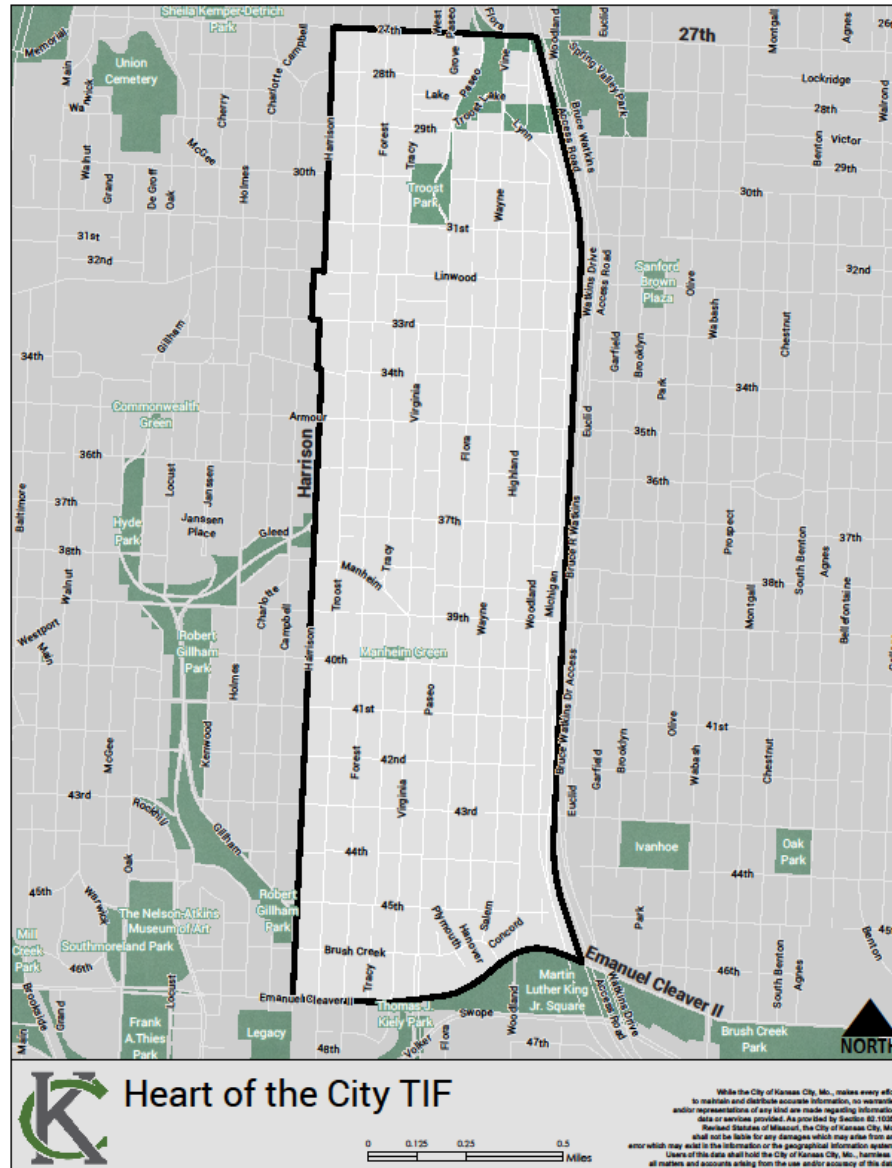
**Objective 1: Support
rehabilitation and construction
of housing for the purpose of
revitalizing neighborhoods in
the City.**

Strategy A

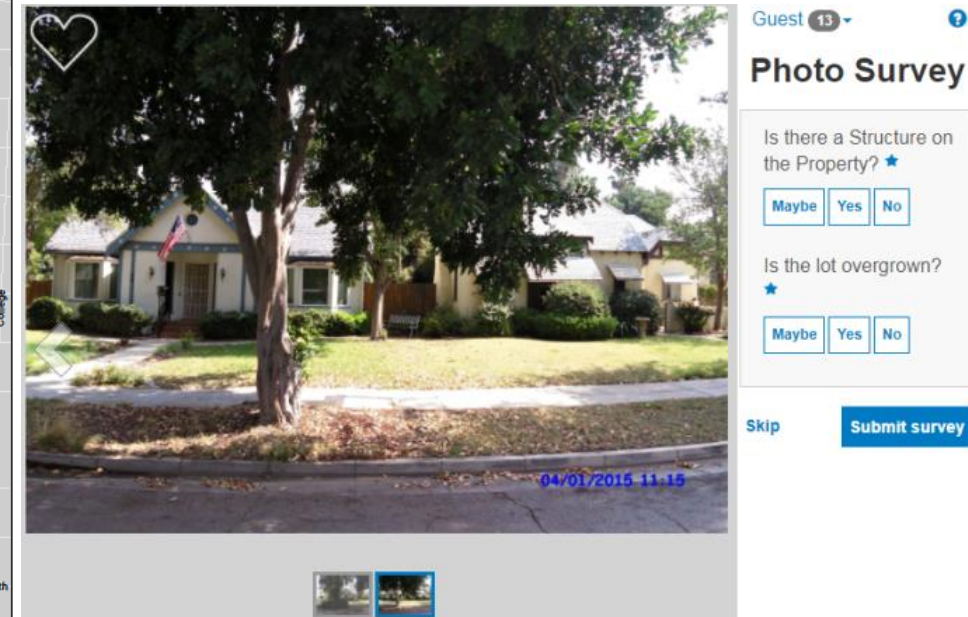
- a) Perform targeted housing condition surveys to define or refine improvement activities.
- b) (City Planning and Development)

Housing Condition Survey – Heart of City Pilot

- Through the use of car mounted camera equipment, field studies can be conducted to assess existing housing conditions within the Heart of the City TIF.
- The addition of street level photography equipment will assist in long-range planning efforts, assessing housing conditions, and to provide a historic record of the built environment.
- This technology has the potential to be used outside the original study area for a variety of surveying tasks given similar conditions are met



2 Garmin VIRBs will be mounted on cars to capture street level photography



ESRI desktop software and online solutions will be used to post-process and classify the photographs

Strategy B

- a) Support the establishment of a new local housing financing mechanism that offers single-family rehabilitation and new infill construction to support home ownership opportunities. (Neighborhoods and Housing Services-Housing)

Overview of Plan to Address Rehab Funding Gap

Example: Acquisition/Rehab

Appraised Value = \$30,000

Costs for Buyer:

Acquisition/Closing Costs \$ 3,000

Rehabilitation Costs \$ 40,000

Total "All-In" \$ 43,000

Available Financing:

Bank loan (80% Loan to Value) \$ 24,000

Gap in Financing: \$ 19,000

- Proposed Public/Private partnership between six banks and City of Kansas City would establish loan fund to address this rehab funding gap
- Program would be geographically targeted and focused on attracting households desiring to move from renting to homeownership
 - Home buyer education/counseling component & contractor participation process

Next Steps/Timeline

2017: Secure commitments from the six banks: Arvest; Central Bank of the Midwest; Commerce; Liberty; UMB; and U.S. Bank and develop financing structure

Winter 2018: Finalize financial structure (term sheet)

Winter/Spring 2018: Finalize commitments from banks (\$10 million) and city (\$5 million)

2018: RFP for organization to service and manage loans

Goal: Establish in 2018

Strategy C

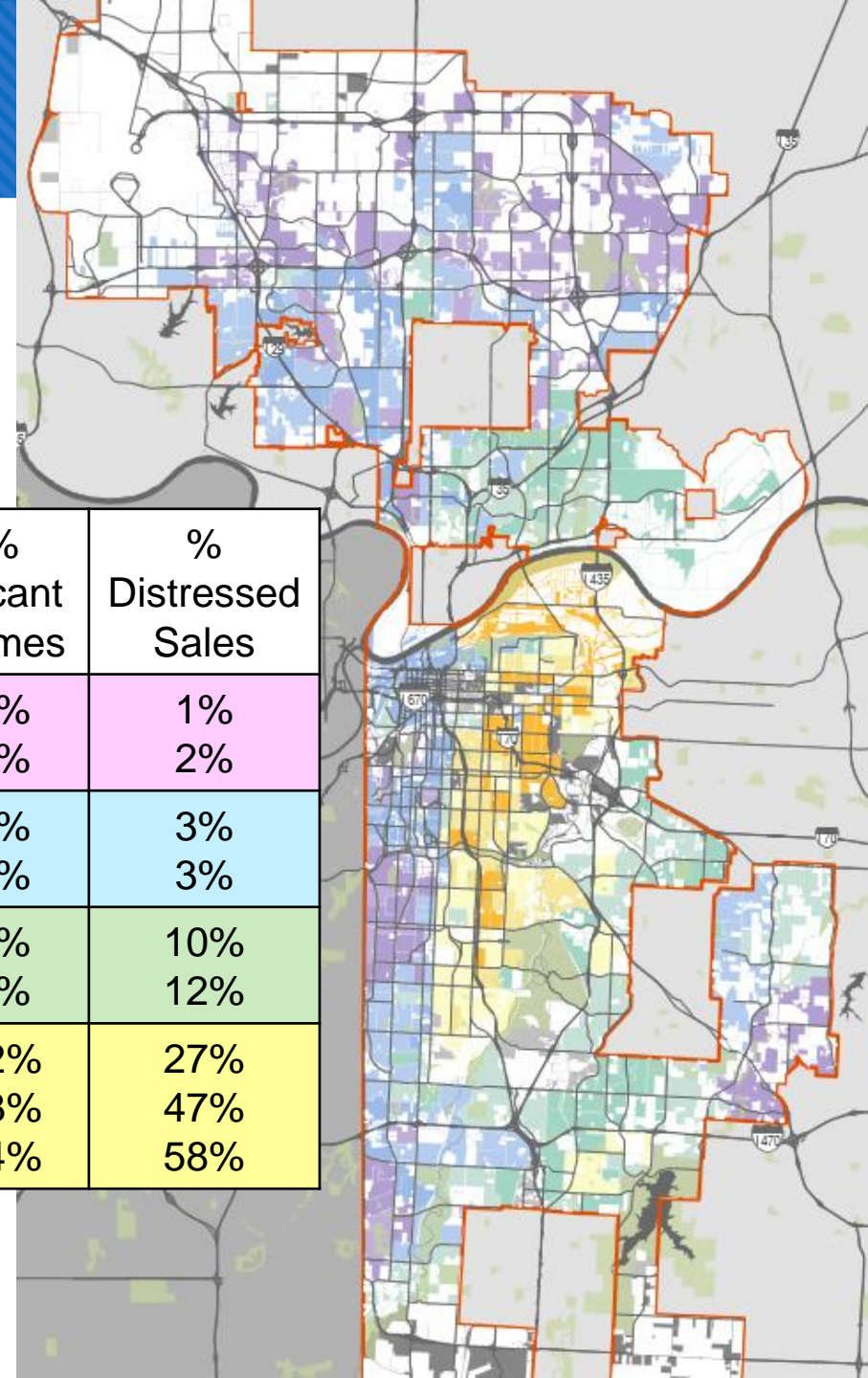
Integrate the results of
the Market Value Analysis
into City housing and
economic development
strategies

Market Value Analysis Findings

Dynamic map and downloadable data available at:
<http://kcmo.gov/planning/market-value-analysis>

Color	Letter	% of Residents	Median Sales Price	% Owner Occupancy	% Homes with Permits	% Homes with Violations	% Vacant Homes	% Distressed Sales
Purple	A	18%	\$318,900	89%	12%	3%	2%	1%
	B		\$294,847	74%	20%	4%	1%	2%
Blue	C	34%	\$173,861	30%	13%	13%	3%	3%
	D		\$154,520	80%	5%	7%	1%	3%
Green	E	22%	\$84,335	74%	3%	14%	4%	10%
	F		\$93,351	42%	4%	14%	5%	12%
Yellow	G	20%	\$39,034	52%	3%	23%	12%	27%
	H		\$18,962	50%	2%	23%	23%	47%
	I		\$6,175	45%	2%	19%	24%	58%

Source: Market Value Analysis

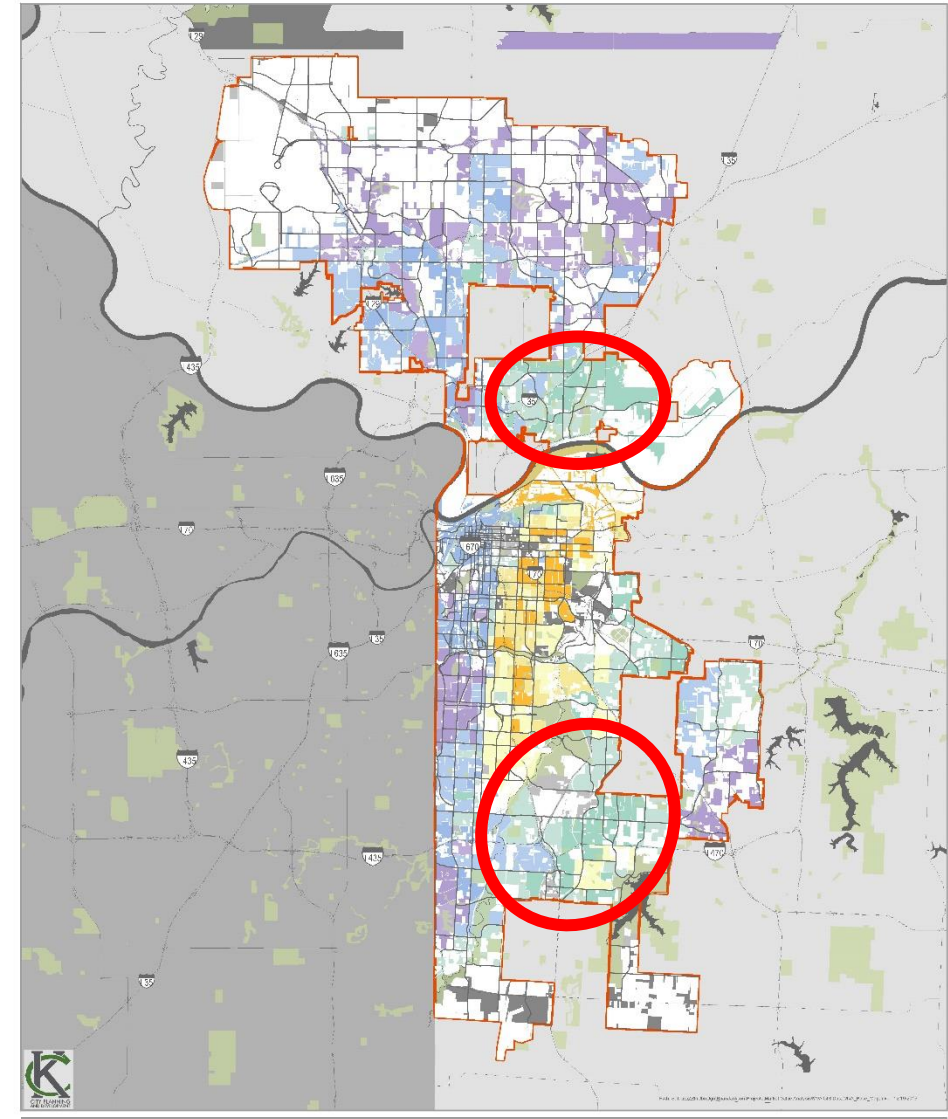


MVA and Neighborhood Form

- The Market Value Analysis identifies 9 different categories of residential market strength
- The E and F categories have a similar neighborhood form across geographies.

	E	F
Median Sales Price	\$84,335	\$93,351
Var Sales Price	0.53	0.55
Household Density	3.27	4.72
Percent Owner Occ	74%	42%
Percent Renters in Sng Fam	96%	44%
Percent Subsidized Households	5%	21%
Percent Homes with Violations	14%	14%
Percent Homes with Permits	3%	4%
Percent Vacant Homes	4%	5%
Percent Distressed Sales	10%	12%

Source: City Planning and Development



Market Value Analysis categories

MVA and Neighborhood Form

- E and F categories have a high degree of similarity in their neighborhood form across geographies.
- E and F categories are primarily post war communities that are suburban in nature and often lack sidewalks, curbs, and gutters
- Interventions in a single E and F market have the potential to be utilized in the additional E and F markets



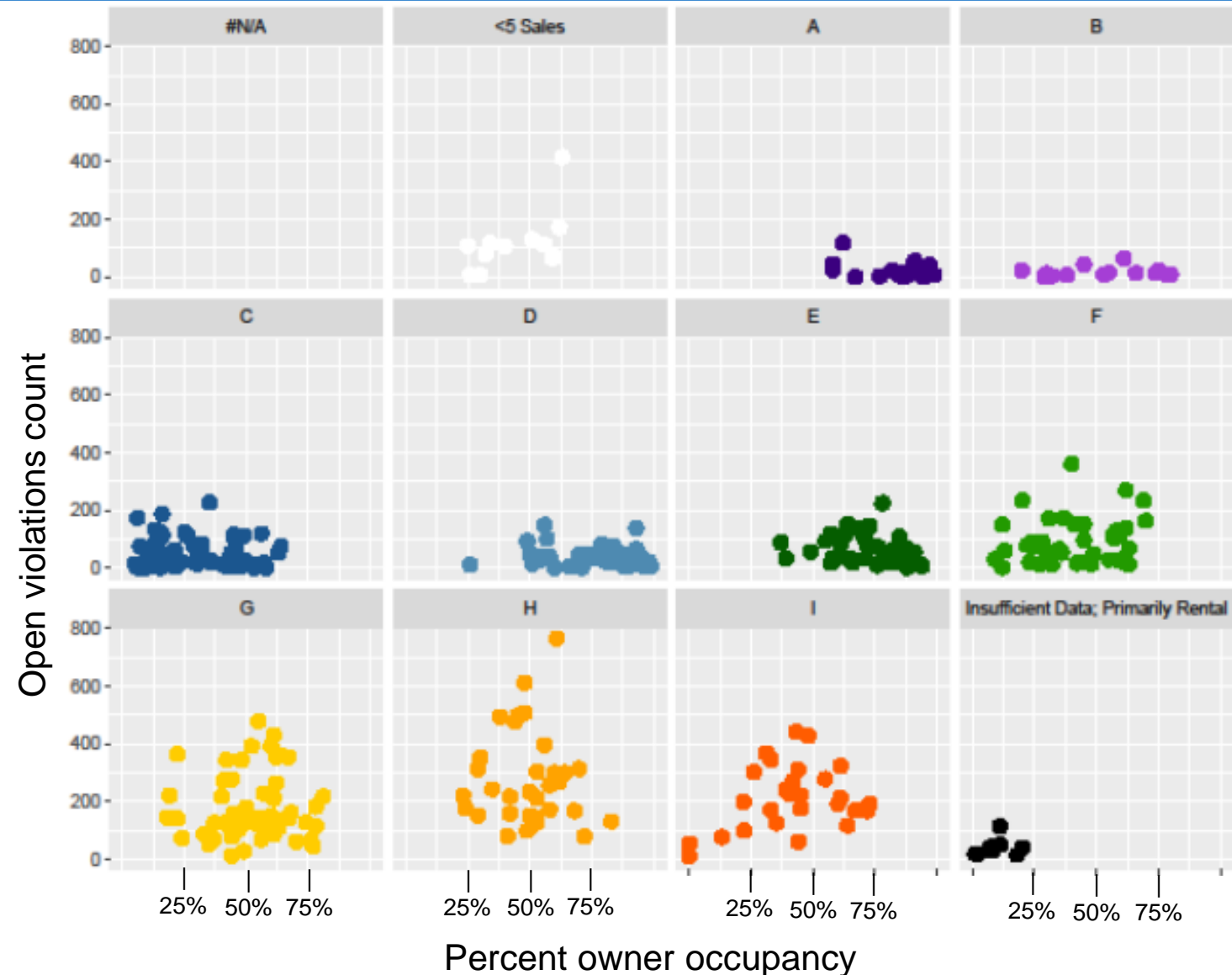
Typical E market home in North Kansas City



Typical E market home in South Kansas City

MVA Analysis: Higher Rate of Owner Occupancy is Not Related to Lower Code Violations

- An analysis was done to compare number of open code violations and % owner occupancy at the block group level, by MVA category.
- One hypothesis was that higher owner occupancy → lower code violations. This relationship would appear as a line slanting down from left to right.
- These charts show many things. But they do not show a clear linear relationship between % owner occupancy and code violations
- It does show that code violations gradually increase when moving from A/B to C/D to E/F to G/H/I MVA categories. However, there is a lot of variation within each MVA category.



Questions?

Stay up to date on progress at kcstat.kcmo.org

#KCStat

Next KCStat:

February 6: Neighborhoods and Healthy Communities

